

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2007-234-WS - ORDER NO. 2007-655
SEPTEMBER 26, 2007

IN RE: Application of Timothy P. Oliver for the)	ORDER APPROVING
Approval of the Consolidation of Utility)	SETTLEMENT
Systems, an Umbrella Bond and Conforming)	AGREEMENT,
Rates for Customers in Wyboo Pointe and)	CONSOLIDATION OF
Haynesworth Mill)	UTILITY SYSTEMS, AND
)	UMBRELLA BOND, AS
AND)	WELL AS THE
)	PURCHASE OF SIGFIELD
Joint Application of Timothy P. Oliver and)	WATER COMPANY
Harold Sigmon for Approval of the Sale and)	
Transfer of Stock, Assets and Operating)	
Authority of Sigfield Water Company, Inc.)	
(f/k/a Docket No. 2007-107-W))	

INTRODUCTION

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the application of Timothy P. Oliver (“Applicant” or “Company”) for approval of the consolidation of all utility systems owned and operated by the Applicant, an “umbrella” bond for all consolidated systems, and conforming rates for all customers of the Wyboo Pointe and Haynesworth Mill subdivisions. A settlement agreement between Mr. Oliver and the South Carolina Office of Regulatory Staff (“ORS”) concerning these issues was filed with the Commission on August 24, 2007. In addition to the above approvals sought by Mr. Oliver, a request to approve the purchase of the Sigfield Water Company, Inc. in Docket No. 2007-107-W was consolidated into this

Docket by Consent Order No. 2007-510 (dated July 16, 2007). Notice of the relief sought by the Applicant was duly published in *The Item* newspaper of Sumter County, South Carolina, for both Docket Nos. 2007-234-WS and 2007-107-W, and no parties have requested to intervene. ORS is a party of record pursuant to operation of S.C. Code Ann. Section 58-4-10 (B) (Supp. 2006).

CONSOLIDATION OF UTILITY SYSTEMS

In the Applicant's request to consolidate its utility systems, Mr. Oliver states that he owns and operates the utility systems of the Gin Pond Shores subdivision, the Lake Marion Shores subdivision, and the Haynesworth Mills subdivision under the name E&R Partnership. In addition, Oliver states that he also owns and operates the Wyboo Water Department, Inc., the Goat Island Water and Sewer Company, Inc., and subject to approval in this Order, the Sigfield Water Company, Inc. He proposes to consolidate these utility systems under the business divisions of the Goat Island Water and Sewer Company, Inc.

CONFORMING RATES FOR CUSTOMERS IN WYBOO POINTE AND HAYNESWORTH MILL SUBDIVISIONS, *NUNC PRO TUNC*

The Applicant seeks approval, *nunc pro tunc*, from the Commission for conforming rates for customers in the Wyboo Pointe and Hayneworth Mills subdivisions. Proposed tariffs were filed for these subdivisions on September 12, 2007. Regarding Wyboo Pointe, Oliver expresses that the system is not metered, and customers are currently charged a flat rate of \$12 per month for water services. A proposed flat rate tariff of \$12 per customer per month was filed with the Commission on September 11, 2007, to conform to the tariff that is currently charged.

Regarding Haynesworth Mill, Oliver discloses that he is serving nine customers without Commission approval. He requests certification for these customers, stating that they are in close proximity to E&R Partnership and are charged the same Commission approved rate of \$19 per month that E&R customers pay. Similar to Wyboo Pointe, a proposed tariff for Haynesworth Mill was submitted on September 11, 2007, which conforms to the current \$19 per month rate currently charged to its customers in this subdivision. For certification, the application discloses that the Applicant has received a Draft Public Water System Operating Permit from the South Carolina Department of Health and Environmental Control.

“UMBRELLA” BOND FOR CONSOLIDATED SYSTEMS

Oliver currently has performance bonds on file with the Commission for water and sewer operations that use a personal financial statement as surety for the following systems:

1. Wyboo Water Department, Inc. in the amount of \$100,000 for water service;
2. Goat Island Water and Sewer Company, Inc. in the amount of \$100,000 for water service and \$100,000 for sewer service; and
3. E & R Partnership in the amount of \$100,000 for water service.

After consolidation, the application proposes to reduce the overall bond guaranteed by a personal financial statement to \$100,000 for water and \$100,000 for sewer for all consolidated systems under the Goat Island Water and Sewer Company. In the settlement agreement, ORS states that this reduction is acceptable. However, in order to

satisfy the requirements of S.C. Code Ann. Regs. 103-512.3.0 through 103-512.3.3 (May 25, 2007) for sewer utilities and S.C. Code Ann. Regs. 103-712.3.0 through 103-712.3.3 (May 25, 2007) for water utilities, we note that these bond amounts are subject to increase after a review of the consolidated utilities' expenses over a 12 month period. These regulations necessitate that the bond amount, subject to ORS's recommendations to the Commission, shall not be less than \$100,000 nor more than \$350,000 based on the utilities expenses during this period.

PURCHASE OF SIGFIELD WATER COMPANY, INC.

According to the application of Docket No. 2007-107-W, Timothy P. Oliver seeks approval to purchase the Sigfield Water Company, Inc. from the present certificated owner, Harold Sigmon. As mentioned above, Docket No. 2007-107-W was subsumed into this docket, Docket No. 2007-234-WS, on July 16, 2007, due to the related nature of this purchase and Oliver's request to consolidate all of his water and wastewater utility systems. The application states the Sigfield Water Company serves 85 customers, including one commercial customer, in Clarendon County.

SETTLEMENT AGREEMENT

The settlement agreement between the parties stipulates:

1. Mr. Oliver will work with ORS to phase in any rate increase for any forthcoming rate case that exceeds 100 percent for any of its current customers over a period of years to lessen any immediate economic impact to the systems' customers.
2. The Company agrees to perform a cost\benefit analysis concerning the installation of meters for all of its customers prior to filing a rate case and to provide a

copy of such report to ORS prior to or at the time of filing a request for new rates and charges.

3. The Company agrees to provide 60 days written notice to its customers of its intention to file a rate case with the Commission.

4. The Company's performance bond in the form of a personal financial statement is acceptable.

FINDINGS AND CONCLUSIONS

The settlement agreement between Timothy P. Oliver and the ORS is in the public interest and is approved. The Commission finds that consolidating Timothy P. Oliver's disparate water and sewer systems under the Goat Island Water and Sewer Company, Inc. is in the public interest. We therefore grant a single Certificate of Public Convenience and Necessity for all of these systems under the rubric of the Goat Island Water and Sewer Company, Inc., including the previously uncertificated Haynesworth Mill subdivision.

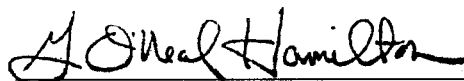
However, Mr. Oliver is cautioned that service outside of approved territory is not sanctioned by this Commission and if service in such territory is contemplated in the future, Mr. Oliver's Company must present a request to the Commission for approval prior to providing service outside the presently approved territory. With this understanding, we acknowledge and approve of the conforming rates for both Haynesworth Mill and Wyboo Pointe. A rate case must be filed with the Commission for approval before these or any other rates are increased, and all stipulations of the settlement agreement must be followed.

Addressing bonding, the “umbrella bond” in the form of a personal financial statement for all the utilities consolidated under the Goat Island Water Company, in the amounts of \$100,000 for water systems and \$100,000 for sewer systems, is approved. However, we request that ORS conduct an audit of the Goat Island Water Company’s annual expenses after one year of operation as a consolidated utility to determine if these bond amounts meet the requirements S.C. Code Ann. Regs 103-512.3.1 and 103-712.3.1 (May 25, 2007). We also request that ORS report the results of this audit to the Commission.

Lastly, pursuant to S.C. Code Ann. Regs. 103-704 (May 25, 2007), the Commission approves Timothy P. Oliver’s purchase of the Sigfield Water Company, Inc.

This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:


G. O’Neal Hamilton, Chairman

ATTEST:


C. Robert Moseley, Vice Chairman

(SEAL)